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Spy suspect to claim he was duped by U.S.

By Pam McClintock
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When a former Army counterintelligence officer goes on trial today in U.S. District Court in Alexandria on espionage charges, defense lawyers will describe a man dedicated to a country that deceived him.

The trial of Richard Craig Smith, a direct descendant of the founder of the Mormon Church, comes two years after he was arrested on charges that he received $11,000 for selling to a Soviet KGB officer information on six U.S. double-agent operations.

Mr. Smith, who was employed by the Army's Intelligence and Security Command from 1973 to 1980, has maintained that he turned over the secret information at the request of the CIA. He has fought to introduce classified documents he says would back up his defense.

The U.S. Court of Appeals for the Fourth Circuit ruled in December that Mr. Smith cannot use the classified documents. The ruling cleared the way for the trial after a two-year delay.

Mr. Smith, who has remained free on a $500,000 bond, faces a maximum penalty of life imprisonment if convicted.

William Cummings, an attorney for Mr. Smith, has tried to introduce his client's beliefs and tenets of Mormonism as evidence, arguing that they show Mr. Smith does not have an "intent toward espionage."

Mr. Smith has strong connections to the church, Mr. Cummings said.

Last week, during a hearing before U.S. District Judge Richard L. Williams, Mr. Cummings argued against the government's contention that Mr. Smith's religion has no relevance to the facts of the case.

"Service to the country is service to the church under the principles which he grew up by," said Mr. Cummings. "The jury should understand that."

Judge Williams, however, ruled that Mr. Smith's religion is an "artificial issue" and that it cannot be introduced as evidence. "Trials and religions don't mix," he said.

Assistant U.S. Attorney Joseph Aronica said that to maintain that a person cannot break the law because of his or her religion is ludicrous.

"We know that it happens every day," he said.

Federal prosecutors allege that Mr. Smith sold secret information because of financial difficulties incurred after he left the intelligence unit in 1980. While with Army intelligence, which directs some double-agent operations, he worked as a case officer for seven years and was given intelligence assignments in Japan, San Francisco and Fort Meade, Md.

According to the indictment, Mr. Smith transmitted the secret information to Victor I. Okunev, a KGB officer, during meetings at the Soviet commercial compound in Tokyo in November 1982 and February 1983. Mr. Okunev was serving as a first secretary at the Soviet Embassy in Tokyo.

In his defense, Mr. Smith alleges that he believed he was working for two men who claimed to be CIA agents, Ken White and Danny Ishida, according to court records. He alleges the two men helped set up a double-agent project aimed at infiltrating Soviet intelligence operations in Japan.

Mr. Smith alleges he was instructed to gain the confidence of the Soviets by supplying them with information on the double-agent operations.

The scheme, he says, began to unravel when Mr. Smith called a former bishop in the Mormon church who was working as an FBI agent after he was unable to contact the two men allegedly working for the CIA. A report made by the FBI agent to his supervisors led to the government's investigation.

The classified documents Mr. Smith sought to use in his defense pertained to the now-defunct Hawaiian investment firm of Bishop, Baldwin, Rewald, Dillingham & Wong Inc. Mr. Smith alleges that a number given him by the two men purporting to be CIA agents was that of the Hawaiian firm.

Last October, one of the directors in the firm, Ronald R. Rewald, was convicted of perjury, fraud and tax evasion in connection with the defunct firm. After the firm collapsed, Rewald alleged in a lawsuit that the business firm had been a front for the CIA.

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